

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Egypt

Citrus Annual

Slow Increase in Citrus Production

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Report Highlights:

For the 2009/2010 season, both orange area and production are expected to increase. The level of use for direct consumption and for the processing industry is not expected to change significantly. Total oranges exports are expected to reach 845,000 MT in 2009/2010. However, exports are forecast to decrease in 2010/2011 as a result of increased production in neighboring supplier countries and trade rumors that the Iranian market may be closed.

Commodities:

Citrus, Other, Fresh

Production

For the 2009/2010 season, both orange area and production are expected to increase. This expected increase in production is due to the increased number of bearing trees in the vast expansion of new cultivated area in the newly reclaimed land. The increase can also be attributed to the continued absence of strong winds, which can be a large determining factor for overall yield and production as they usually cause damage to fruit sets. In 2010/2011, total planted orange area is forecast at 152,000 hectares compared to 150,000 estimated for 2009/2010 and 147,000 hectares in 2008/09. Production in 2010/2011 is forecast to increase to 3.65 million MT, up from the estimated 3.57 million MT in 2009/10 compared to about 3.5 million MT in 2008/2009. The expected increase in total orange production is mainly due to the increase in the number of bearing trees.

Oranges are a winter fruit well-suited to the Egyptian climate. Orange production accounts for half the total fruit production in Egypt. Cultivation is centered in two large geographic regions: the fertile Delta area and the newly reclaimed lands. Navel oranges are the predominant variety. Smaller amounts of local (baladi), sweet, Valencia, and other varieties are also produced. The harvest of navel oranges begins in October and is followed by other varieties in November and December. Harvest usually lasts from four to five months.

Oranges, Fresh Egypt	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	147,000	147,000	150,000	150,000		152,000
Area Harvested	140,000	140,000	140,000	143,000		143,000
Bearing Trees	7,642	7,642	7,800	7,800		7,960
Non-Bearing Trees	6,097	6,097	6,224	6,250		6,250
Total No. Of Trees	13,739	13,739	14,024	14,050		14,210
Production	3,500	3,500	3,570	3,570		3,645
Imports	0	0	0	0		0
Total Supply	3,500	3,500	3,570	3,570		3,645
Exports	774	774	800	845		750
Fresh Dom. Consumption	2,666	2,666	2,700	2,655		2,820
For Processing	60	60	70	70		75
Total Distribution	3,500	3,500	3,570	3,570		3,645

Consumption

The level of use for direct consumption and for the processing industry is not changing significantly. Oranges are the main fruit available in Egypt during the winter. Due to the fact that oranges are relatively inexpensive, Egyptians consume large amounts of oranges, both fresh and as juice. Per capita consumption of oranges is estimated at about 18 kg per year. The orange processing industry is expanding due to the increased number of companies producing orange juice. Most companies depend on the baladi and summer varieties for processing.

Trade

The Egyptian orange export season is relatively long, extending from October to April, which is quite favorable for the export of navel oranges. The recent positive effects of the EU- Egyptian Partnership agreement under which Egypt received a duty-free TRQ of all quantities of fresh or dried oranges as of June 1, 2010, is expected to have a positive impact on total oranges exports. Total oranges exports are expected to reach 845,000 MT in 2009/2010. However, total oranges exports for 2010/011 are forecast to decrease from the 2009/10 levels mainly because of 1) more competition from expected increased orange production in Spain, Morocco and Turkey and 2) rumors in the trade that Iran may close its market for political reasons. Iran has been an 80 to 90 TMT market for Egyptian citrus in recent years.

Although Egypt has excellent opportunities for expanding its orange exports due to its favorable climate and strategic geographic location, exports to the European market continue to be limited by the uneven quality of Egyptian oranges. European countries import baladi and summer varieties, mainly for juicing. Russia, the Ukraine and the Gulf countries, including Iran and Saudi Arabia have been the primary markets.

Egyptian exporters prefer to sell their production for cash on an FOB basis in order to avoid the risk of being rejected due to sanitary- phytosanitary (SPS) reasons or being in a position to face adjusted prices due to quality factors.

In 2009/2010 the average FOB export price for Egyptian oranges was between \$550 and \$570 per MT.

Export Trade Matrix

Egypt			
Oranges MT			
Exports to	2008/09	<i>Exports to</i>	2009/010
U.S.		U.S.	
Others		Others	
Russia	150,000	Saudi Arabia	188,167
Ukraine	115,000	Russia	158,713
Iran	83,000	Iran	91,494
England	57,000	Ukraine	75,540
Other E.U	45,000	UK	63,239
Gulf Countries	106,000	Other E.U	44,468
Latvia	9,000	Neither land	38,683
		Sudan	28,437
		Kuwait	22,699
		Oman	19,534
Total for Others	565,000		730,974
Others not listed	405,000		114,105
Grand Total	790,000		845,079